



Chula Vista

Police Officers' Association

SIDE LETTER OF AGREEMENT FOR RETIREE MEDICAL TRUST PARTICIPATION

All employees covered by this Agreement shall participate in a retiree medical expense reimbursement plan administered by the PORAC Retiree Medical Trust or such other entity that later may be selected by the Association. This Plan is designed to permit organizations representing employees to designate on a pre-tax basis salary and/or leave payouts which occur upon termination of employment to be used to help pay for health insurance costs when the employee is no longer working for the City. No City contributions shall be made to this Plan. The trust shall be and remain separate and apart from any Employer health insurance funding program.

Effective January 1, 2009, employees covered by this Agreement shall contribute to the plan \$150 per month, which the employer shall automatically deduct from the salary of each employee and remit monthly [in one aggregate check], to the Plan's administrator, accompanied by a list of contributing employees. The employer shall contribute the monies on a pre-tax basis. These contributions shall be included as salary for purpose of calculating retirement benefits. There shall be no employee election to take the amount in cash.

Upon retirement of an employee covered by this Agreement, the employer shall transfer into the PORAC Retiree Medical Trust, an amount equal to 100% of the cash value of the employee's vacation and floating holiday leave balance for which they would receive payment. The employer shall contribute the monies on a pre-tax basis. There shall be no employee election to take the amount in cash.

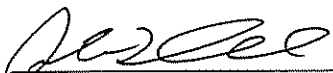
The Association has the right to alter the amount of salary deduction or the percentage of leave balance contribution at separation from service during the course of this Agreement, on a uniform basis, for all employees covered by the Agreement, subject to approval of its members according to the Association's internal rules.

The City of Chula Vista hereby acknowledges receipt of the Trust Agreement governing the Trust and will comply with rules set by the Trust Office in regard to reporting and depositing the required contributions set forth above.

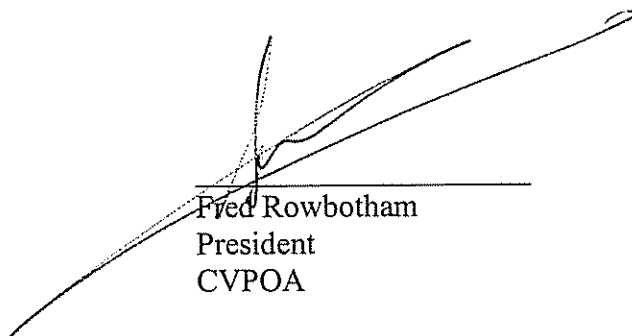
Exceptions:

Employees entitled to full military medical benefits may make a one time election not to participate in the plan. Employees entitled to this exemption must notify human resources of their refusal to participate within 60 days of January 1, 2009, or within 60 days of joining the bargaining unit.

The provisions of this agreement do not apply to anyone hired on or before February 1st, 1982.



Scott Tulloch
Manager
City of Chula Vista



Fred Rowbotham
President
CVPOA